

In other words, **BCBSNC's Information Technology costs were better than (less than) at least 75 percent of benchmarked plans.**

BCBSNC is able to keep costs low, in part, by coordinating system development and business changes for PowerMHS. There are several examples of coordination between IS and operations areas within BCBSNC: benefit configuration, change management requests, and system testing. However, BCBSNC recognizes that more coordination efforts may result in higher quality and greater efficiencies.

When the SHP asks BCBSNC for significant changes related to the SHP, BCBSNC estimates how much it will cost, and BCBSNC seeks SHP approval to proceed.

For Claims Administration, BCBSNC continuously fine tunes its configuration of PowerMHS to process SHP's PPO claims. Changing one aspect of claims processing affects multiple operational areas. For example, if BCBSNC increases First Pass Rates, there is a potential for more reprocessing of claims later. As another example, significant SHP-specific configuration changes may result in inconsistencies in claims processing between the SHP member claims and other BCBSNC member claims, which in turn could result in inconsistent provider contract administration.

BCBSNC disagrees with Navigant's position that configurations should simply align with the average benchmarked plan. **BCBSNC's position is that claims administration configuration should align with the cost, quality, and service targets of its customers not just with the average benchmarked plan.** BCBSNC will continue to look for opportunities to improve the functionality of the PowerMHS claims system, but with the broader goal of reducing overall costs and maintaining a high level of customer satisfaction.

For Membership Accounting, BCBSNC continues to reduce administrative costs. This is evidenced by staff reductions over the past 24 months and the fact that **Navigant found the Membership Accounting department performed better than (at lower cost than) 75 percent of benchmarked plans.** However, the continued reduction of staff, proposed by Navigant, would reduce BCBSNC's staff to levels so low that Membership Accounting would not be able to function properly.

BCBSNC endorses Navigant's recommendation that the SHP accept one common method of payment and reconciliation, but acknowledges that implementing this recommendation would create a burden for individual state agencies. BCBSNC cannot effectuate standardized billing, payment and reconciliation processes without actions by the State (agencies, legislators, etc.).

Currently, approximately 90 percent of SHP employees and retirees have access to self-service and automated enrollment capabilities through the use of BEACON or Benefitfocus. Additionally, BCBSNC continuously seeks ways to improve electronic data exchange with Benefitfocus to attain a high level of system to system efficiency.